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C O N F I D E N T I A L SECTION 01 OF 02 DHAKA 000692

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COMMERCE FOR SLEWIS-KHANNA, DFONOVICH
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TAGS: [PREL](#) [PGOV](#) [KCOR](#) [ASEC](#) [KCRM](#) [CASC](#) [BG](#)
SUBJECT: AMBASSADOR REGISTERS CORRUPTION AND CRIME CONCERNS
WITH PRIME MINISTER

REF: A. DHAKA 614
[1](#)B. DHAKA 645

Classified By: Ambassador James F. Moriarty, Reasons 1.4 (b) and (d)

SUMMARY

[1](#)1. (C) The Ambassador voiced serious concerns about rising levels of crime and corruption in Bangladesh with Prime Minister Sheikh Hasina, describing recent incidents of pressure by the Government of Bangladesh (GOB) and the Awami League on American business, including harassment of a U.S.-invested hospital on the outskirts of Dhaka. The Ambassador expressed dismay over rising levels of crime against Americans, including armed muggings and an attempted break-in at an Embassy residence. The Prime Minister said many criminals wrongfully claimed affiliation with the Awami League but said she understood the Ambassador's concerns and reported she had created a task force to look into issues of crime and corruption.

HARDER TO DO BUSINESS IN BANGLADESH

[1](#)2. (C) On the margins of a July 12 meeting to discuss Bangladesh's purchase of Boeing aircraft (septel), the Ambassador told Prime Minister Sheikh Hasina that the rising level of corruption and crime was tarnishing Bangladesh's image. The Ambassador first voiced frustration over general impediments to doing business in Bangladesh. For example, he said the GOB bureaucracy had thus far failed to implement the Prime Minister's decision to allow 100-percent foreign-owned shipping firms like APL and Maersk to continue operating in Bangladesh (reftel).

[1](#)3. (C) Of deeper concern, the Ambassador continued, were reports from U.S. business of harassment by GOB and Awami League officials. The Ambassador described the plight of American SuperSpecialty Hospital, a U.S.-backed hospital located on the outskirts of Dhaka. A consortium of American doctors and health care professionals had invested more than \$4 million to refurbish and run a private hospital, but since January a member of the Awami League Presidium and an Awami League Member of Parliament had harassed the hospital staff and threatened to take over the venture. The officials had forced the hospital to hire a doctor who then nearly killed a

patient by administering an incorrect dosage of medicine. When the hospital fired the doctor, he claimed the hospital favored only doctors affiliated with the opposition Bangladesh Nationalist Party (BNP) and discriminated against supporters of the Awami League. The doctor's complaints had resulted in a Parliamentary investigation of the hospital.

¶4. (C) The Prime Minister expressed surprise and shock over the incidents at the hospital. She said her government strongly supported U.S. business and investment in Bangladesh. The Ambassador observed that the U.S. consortium planned to invest millions of more dollars in the hospital to increase its health care services and provide training to nurses, which Bangladesh desperately needed.

DETERIORATING LAW AND ORDER SITUATION

¶5. (C) The Ambassador also described a sharp increase in crimes against foreigners, including Americans and Embassy staff. He told the Prime Minister about recent armed muggings of Americans, an attempted break-in at an Embassy residence, and a car accident involving an Embassy officer and armed criminals fleeing the scene of a murder. He noted that crimes against Westerners, especially women, had increased dramatically in recent months, especially in the diplomatic enclave in Dhaka (reftel).

¶6. (C) The Prime Minister acknowledged the situation and said she was very disturbed by these reports. She said many criminals falsely claimed support from the Awami League in committing crimes to escape punishment. She also claimed

DHAKA 00000692 002 OF 002

that some of the crimes being committed in Bangladesh now were attempts to retaliate against crimes perpetrated by the BNP when it was in power from 2001 to 2006. The PM said these crimes were not justified, despite their motivation, that people seeking redress needed to use the law and not crime. She noted that she had specifically instructed the police to crack down against crimes being committed by members of the Awami League's student wing.

¶7. (C) The Prime Minister told the Ambassador she had formed a task force to look into the law and order situation. Bangladesh's Principal Secretary, the second-highest ranking GOB bureaucrat, would lead the task force, which would include the Home Minister, police and the chiefs the intelligence services. She said police and other officials who looked the other way when crimes were committed would be punished.

COMMENT

¶8. (C) Despite the usual fallback position of blaming the BNP for problems, the Prime Minister clearly is concerned about increasing levels of crime. The Principal Secretary who will lead the Prime Minister's task force is former Home Secretary Abdul Karim. Secretary Karim is a good friend to the United States and can be counted on to work with us on these troubling developments. Perhaps a signal of the GOB determination, the day after the Prime Minister's meeting with the Ambassador, the police officer in charge of Gulshan, the most crime-ridden part of the diplomatic enclave, was reportedly transferred and demoted.

MORIARTY